

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 24 MARCH 2015 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr David Hodge (Chairman)	*Mr John Furey
*Mr Peter Martin (Vice-Chairman)	* Mr Mike Goodman
*Mrs Mary Angell	*Mr Michael Gosling
*Mrs Helyn Clack	*Mrs Linda Kemeny
Mr Mel Few	*Ms Denise Le Gal

Cabinet Associates:

*Mr Steve Cosser	*Mrs Kay Hammond
*Mrs Clare Curran	*Mr Tony Samuels

* = Present

**PART ONE
IN PUBLIC**

51/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mr Few.

52/15 MINUTES OF PREVIOUS MEETING: 24 FEBRUARY 2015 AND 10 MARCH 2015 [Item 2]

The minutes of the meetings held on 24 February and 10 March 2015 were confirmed and signed by the Chairman.

53/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

54/15 PROCEDURAL MATTERS [Item 4]

1 MEMBERS' QUESTIONS [Item 4a]

No questions from Members were received.

55/15 PUBLIC QUESTIONS [Item 4b]

A question from Mr Crews was received. The question and the response is attached as Appendix 1.

Mr Crews asked a detailed supplementary question which the Cabinet Member for Environment and Planning said would receive a response outside the meeting.

56/15 PETITIONS [Item 4c]

No petitions were received.

57/15 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

58/15 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

Council Overview and Scrutiny Committee:

- (i) Recommendations relating to the Carbon and Energy Policy 2015 – 2019. The response from the Cabinet Member for Environment and Planning is attached as Appendix 2.
- (ii) Recommendations relating to Budget Monitoring. The response from the Leader of the Council is attached as Appendix 3.
- (iii) Recommendations relating to the Digital Transformation Progress Update. The response from the Cabinet Member for Business Services is attached as Appendix 4.

59/15 MEDIUM TERM FINANCIAL PLAN 2015 - 2020 [Item 6]

The Leader said that in February, the Cabinet had approved the Council's five year corporate strategy *Confident in Surrey's future* and that the overall budget and council tax precept for 2015/16 and indicative budgets for the following four financial years had been set at the full County Council meeting.

He said that before Cabinet today was the Medium Term Financial Plan (MTFP) 2015 – 2020, which set out the detailed service strategies that would deliver the overall corporate strategy, together with the detailed revenue and capital budgets for 2015/16 and indicative budgets for 2016/17 to 2019/20. These budgets included fees and charges, grant changes in the Final Local Government Settlement and the Equality Impact Assessment (EIA) of the savings proposals.

He also confirmed that the Council's strategy was focused on working in the long-term interests of Surrey and making sure residents remained healthy, safe and confident about their future and that the Council would concentrate on providing lasting support to those who needed it, supporting economic growth and ensuring residents get excellent, value for money services.

He was delighted to inform the Cabinet that savings of over £257m had been made in the past four years, and that the Council was forecast to make over £73m this year.

Finally, he said that the corporate goals would be achieved even though the Council faced huge financial pressures – in particular, rising demand for school places and adult social care and this would be achieved by:

- continuing to find new ways of doing things better,
- continuing to work with others to transform services and
- continuing to seek more devolved funding and powers.

The Leader of the Council invited each Cabinet Member to comment on the MTFP and the accompanying EIAs for their portfolios. They made the following points:

(i) **Deputy Leader:** He highlighted the four savings proposals that had been identified as requiring an EIA in the Chief Executive's service:

- the cross cutting communications review
- re-structure of libraries' staff
- reduction in the contingency budget for by-elections
- 5% reduction in the Policy and Performance Service

(ii) **Cabinet Member for Highways, Transport and Flooding** made the following points:

- That Highways had a good year, helped by the clement winter weather
- The aims and objectives for this service remained the same as last year, namely to keep Surrey's road network safe - Project Horizon was helping to deliver this objective
- Continued support for economic prosperity for residents and businesses
- That pro-active partnerships in Surrey were excellent
- Thanked officers for achieving financial savings in what had been a difficult year
- That EIAs had been undertaken for those confirmed savings that had been deemed as requiring one

Mr Harmer, Chairman of the Environment and Transport Select Committee had asked to speak on this item and said that his select committee had undertaken a detailed review of this service's budget. It was his opinion that £200K could be transferred from the streetlighting budget into winter maintenance, to create a 'reserve' pot of funding for severe weather emergencies. He also suggested that the process of involving select committees in budget scrutiny could be improved by reducing the number of briefings and having more confidential detailed analysis of the budgets following the February Council Budget meeting.

On the proposed virement of part of the streetlighting budget, the Cabinet Member's response was that it would either be considered alongside the carry forward requests – to be considered by Cabinet in April or at the MTFP refresh in July.

The Leader of the Council said that he always encouraged select committee chairmen to challenge the budget process. However, he considered that Member briefings were important to clarify the Council's direction of travel and could be used to form a basis to challenge the budget proposals in detail.

(iii) **Cabinet Member for Environment and Planning** drew attention to the following:

- The EIAs for this service: (i) Kerbside Improvement Programme, (ii) Environment and Infrastructure – future staff restructure, and (iii) joint healthcare waste collection and disposal contract
- Thanked officers for the excellent work undertaken this year
- Highlighted working with Surrey's 11 Boroughs and Districts on the Local Plans and strategic infrastructure
- Stated that by working with partners, one of the key goals would be to reduce household waste costs, develop waste processing and commence construction of the Eco park
- To achieve financial savings of £6.4m, including £2m savings from the Local Transport Review

(iv) **Cabinet Member for Children and Families** said that:

- Within the Children, Schools and Families Directorate, there were 7 savings proposals for 2015/16, of which 2 required EIAs: (i) Services for Young People, and (ii) ESG reduction and contract reduction
- Of the £96m gross revenue expenditure for 2015/16, £42.9m was allocated for Looked After Children and £22.5m for referral, assessment and care management
- Safeguarding continued to be a key priority for the service
- Support for the Early Help approach was crucial to the prevent escalation of need
- Increased number of children were on Child Protection Plans and also there were increasing numbers of young people with multiple complex needs
- There was work to extend the number of foster placements within Surrey, thereby minimising placing children in out of county foster care

(v) **Cabinet Associate for Adult Social Care (in the absence of the Cabinet Member for Adult Social Care)** made these points:

- That there were significant financial challenges for this service to achieve but that he was satisfied that the MTFP provided a sensible base to take those challenges forward
- The Council had received additional Government funding to help with the implementation of the Care Act. However, it was unlikely that the changes would be fully funded by Government
- Adult Social Care had met most of its savings targets. However, going forward achievement of further savings would require collaboration with Health partners
- The Directorate had identified 27 planned savings for 2015/16 – these had been grouped into five themes and an EIA had been undertaken for each of the themes

- Finally, he thanked staff in the service for meeting the financial challenges

(vi) Cabinet Associate for Children, Schools and Families said:

- That one of the key actions for Services for Young People in 2015/16 was to create opportunities for all 16/17 year olds in Surrey to participate in education, training or employment
- Also, the service needed to make savings of £2.6m from its budget in the forthcoming financial year and would adopt a business development strategy to help achieve the savings. An EIA had been completed, which set out nine points on how the savings would be achieved. It also included an action plan, which set out the action needed to maximise positive impact or mitigate any negative impact

(vii) Cabinet Member for Schools and Learning said that there were five key actions for 2015/16, which would support the Council's three corporate strategy goals:

- To deliver of £2.7m of savings from the Early Years budget
- To continue to work with Property and Planning to deliver an additional 2800 school places for September 2015 and that, despite receiving additional funding from Government, the Council was still expecting that there would be a funding shortfall for this provision
- To improve the educational outcomes for Surrey children – she reported that excellent progress had been made in the last few months
- To implement a special educational needs and disabilities strategy and action plan, which it was hoped would reduce costs by £4m by the end of 2015/16
- To improve educational outcomes for vulnerable groups
- Finally, she said that the Council would also be looking at possible savings within the Home to School Transport budget.

(viii) Cabinet Member for Community Services made these points:

- The aim of this service was to provide a range of relevant services which were needed by Surrey residents
- Within Culture Services, savings may be generated by staffing re-structures - there would be a consultation period during the summer, with a report in January 2016 detailing options
- That she was pleased to report the new joint arrangements with Buckinghamshire County Council re. the Trading Standards Services and the new joint committee would meet for the first time on 1 April 2015
- That the new Coroner's Court in Woking was operational and it was hoped that it could also be used to generate income for the County
- This year, the service was involved, in conjunction with the National Trust, with the Magna Carta anniversary programme

- Two savings proposals, within Customer and Communities Directorate had been identified as requiring an EIA. These were: (i) the reduction in Directorate Support staff and (ii) the removal of Local Committee Capital Allocations. The EIAs had been completed and had set out the challenges and mitigating action required.

(ix) Cabinet Associate for Fire and Police Services said:

- That none of the five separate initiatives put forward to deliver savings in 2015/16 required EIAs because they were continuation of previous identified savings
- She highlighted the excellent preventative work that Surrey Fire and Rescue (SF&R) was doing to keep Surrey's residents safe
- That the Public Safety Plan would be refreshed and would be considered and approved by Cabinet by April 2016

(x) Cabinet Member for Public Health and Health and Wellbeing Board made these points:

- There had been a large increase in the Public Health Budget this year, due to the County Council taking over responsibility for the 0-5 programme from the NHS this year
- Congratulated Health staff for the successful integration into working within the County Council
- That the Council had inherited contracts which needed to be re-tendered later this year and it was hoped that savings and better Value for Money could be achieved

(xi) Cabinet Member for Business Services drew attention to:

- Table 2 in the covering report, which set out the numbers of Full time equivalent (FTE) staff in Surrey
- Highlighted the challenges for the Finance Service in 2015/16, including the lack of a Comprehensive Spending Review beyond 2015/16
- Within HR, she said that the service would be reviewing the way that the Council paid and rewarded staff to support attraction and retention of talent
- That the key action in IMT was to deliver the IMT infrastructure to ensure that the Council's local and regional partnerships worked successfully to deliver efficiencies
- Key actions for other services included: (i) the launch of a new shared legal service across Surrey and East Sussex County Councils, (ii) fighting fraud and error to deliver financial benefits and to ensure that there was correct use of public money, (iii) delivery of school places

Drawing the discussion on the MTFP for 2015 – 2020 to a conclusion, the Leader of the Council drew attention to Table 3 in the covering report and said that 40% of the Council's capital expenditure in 2015/16 had been allocated to Schools Basic Need. He also considered that the inclusion of Table 2, the FTE numbers had been helpful and also drew attention to the paragraphs in the report relating to Treasury Management.

Finally, before asking Cabinet to vote on the recommendations, he referred to recommendation (3) and informed Members that by providing this funding for Brooklands Motor Museum, it had helped the museum to secure a £4.7m Heritage Lottery Grant.

RESOLVED:

1. That the 2015/16 service strategies that will deliver the Corporate Strategy 2015-20, as set out in Annex 1 to the submitted report, be approved.
2. That the detailed service revenue and capital budgets for the years 2015/16 and indicative budgets for 2016-20, including amendments resulting from the final Local Government Financial Settlement and other Government funding changes announced since 10 February 2015, as set out in Annex 1 to the submitted report, be approved.
3. That the match funding of the Brooklands Motor Museum contribution totalling £225,000 over five years, as set out in paragraph 18 of the submitted report, be approved.
4. That the initiative to increase volunteering from the New Models of Delivery Budget, costing £75,000 in 2015/16 and also in 2016/17, as set out in paragraph 19 of the submitted report, be approved.
5. That the publication of the service revenue and capital budgets as the Medium Term Financial Plan 2015-20 be approved.
6. That the fees & charges approved under delegated powers be endorsed and other fee and charge proposals, as set out in Annex 2 of the submitted report, be approved.
7. That the Equality Impact Assessment of the savings proposals within the directorate and service budgets, as set out in Annex 3 to the submitted report be noted.

Reasons for Decisions:

The 2015–20 MTFP is a five year budget that is aligned to the Corporate Strategy. It reflects assumptions about the current local and national financial, economic and political environment. The setting of a five year budget is a key element of the Council's multi-year approach to financial management. Regular reporting through the year will enable progress to be effectively tracked and managed.

The Corporate Strategy 2015-20 sets out the Council's key strategic goals of wellbeing, economic prosperity and residents' experience. The service strategies provide the detail on the goals and actions to achieve these strategic goals.

60/15 FINANCE AND BUDGET MONITORING REPORT FOR FEBRUARY 2015 [Item 7]

The Leader of the Council presented the budget monitoring report for month eleven of 2014/15, the period up to 28 February and said that the forecast revenue position was an underspend of £13.4m at year end. This was an improvement on January's forecast outturn of £7.9m underspend and included £6.2m of spending on planned service commitments that would continue beyond 2014/15.

He also said that the efficiencies forecast was £73.8m, up from £72.7m at 31 January. This was the fifth consecutive year that the Council had delivered over £60m of savings for Surrey residents and he thanked the Chief Executive, Strategic Directors and the S151 officer for their outstanding efforts which had resulted in achieving these savings.

He drew Cabinet's attention to the three items for their approval - the first being to use £22,362 of uncommitted Member allocations to make a grant to the Surrey Save Credit Union.

As he had said, at previous Cabinet meetings, the Council continued to face demand growth and funding reductions and had four key drivers to ensure sound governance to manage the finances and provide value for money.

These were:

1. Keep any additional call on the council taxpayer to a minimum

Currently, the end of year revenue forecast was for services to underspend by £13.4m and he believed that Cabinet's commitment to tight financial management and the actions of managers would make 2014/15 the fifth consecutive year that there would be a small underspend or a balanced budget.

2. Continuously drive the efficiency agenda

That, at the end of February, services forecast delivering efficiencies of £73.8m against a target of £72.3m and of these forecast efficiencies, over 94% were already achieved or on track.

3. Develop a funding strategy to reduce the council's reliance on council tax and government grant income.

That reducing reliance on government grants and council tax was key to balancing the Council's budgets over the longer term and the Revolving Infrastructure and Investment Fund had invested £6.7m so far this year and forecast delivering £0.4m net income.

4. Continue to maximise our investment in Surrey

Finally, he said that the Council's capital programme not only improved and maintained the Council's services, it was also a way of investing in Surrey and generating income for the Council and he stressed the importance of the Council doing everything it could to support Surrey businesses.

Other Cabinet Members were invited to highlight the key points and issues from their portfolios, as set out in the Annex to the report.

RESOLVED:

1. That the Council forecasts an improved revenue position for 2014/15 of £13.4m underspend, up from £7.9m at 31 January 2015. This position includes the need to fund £6.2m spending on planned service commitments that will continue beyond 2014/15, as set out in Annex1, paragraph 3 of the submitted report.
2. That Services forecast achieving an improved position on efficiencies and service reductions by year end of £73.8m up from £72.7m at 31 January 2015 and £1.5m above the year's planned target of £72.3m, as set out in Annex1, paragraph 80 of the submitted report.
3. That the Council forecasts investing £198.3m through its capital programme in 2014/15, as set out in Annex1, paragraphs 84 and 85 of the submitted report.
4. That Services' management actions to mitigate overspends, as set out throughout Annex1 of the submitted report, be noted.
5. That the use of the uncommitted Member allocations, totalling £22,362, to make a grant to the Surrey Save Credit Union, as set out in Annex1, paragraph 36 of the submitted report, be approved.
6. That a virement of the Surrey Growth Fund (£0.8m) from Environment & Infrastructure to the Chief Executive's Office, to align with managerial responsibility for the Economy function, as set out in Annex1, paragraph 46 of the submitted report, be approved.
7. That £2.5m from Central Income and Expenditure budget to fund a new reserve: "Economic Prosperity Reserve", as set out in Annex1, paragraph 70 of the submitted report, be approved

Reasons for Decisions:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

61/15 CARBON AND ENERGY POLICY 2015 - 2019 [Item 8]

The Council's Carbon and Energy policy for 2015 to 2019, which built on the Council's existing policy framework was introduced by the Cabinet Member for Environment and Planning.

He said that the County Council had a number of statutory duties that it was obliged to carry out in respect of carbon and energy and that this policy built on the Carbon and Energy Policy of the last four years.

He said that, through the policy, the County Council was demonstrating responsibility and leadership in protecting quality of life for Surrey residents and future generations, as well as achieving value for money for residents today. Energy management was one of several ways that the County Council was bearing down on its operational costs to ensure more money goes to

front line services, whilst ensure statutory responsibilities in this area were fulfilled.

He gave a detailed explanation of the way forward to 2019 and said that the policy set a target of 10% reduction in carbon emissions by 2019 against a 2013/14 baseline. He also considered that there were sound business cases in place to secure the necessary funding.

Finally, he said that one of the next steps would be a joint working partnership with Boroughs and Districts.

RESOLVED:

1. That the proposed Carbon and Energy Policy, as set out in Annex A to the submitted report, be approved.
2. That an action plan be developed, further to the policy's outline action plan, as set out in Annex A, section 7 to the submitted report, to implement the policy and deliver the carbon emissions reductions and associated cost savings.
3. That the Cabinet Member for Environment and Planning works in partnership with Surrey Boroughs and Districts to develop opportunities for joint working to reduce carbon emissions and energy costs of the public sector.

Reasons for Decisions:

Implementing the Carbon and Energy Policy will support the Council's aims, including providing improved cost control and value for money, demonstrating community leadership in relation to carbon emissions reduction and achieving wider benefits for Surrey's local economy and environment.

62/15 SURREY TRANSPORT PLAN - BOROUGH / DISTRICT LOCAL TRANSPORT STRATEGIES AND FORWARD PROGRAMMES (TRANCHE 1 AND 2) [Item 9]

The Cabinet Member for Highways, Transport and Flooding said that this report presented the outcomes of the development of eight Local Transport Strategies and Forward Programmes (LTS & FP) and made recommendations that the Cabinet endorsed the Local Transport Strategies and Forward Programmes as part of the Surrey Transport Plan, for ratification at the next County Council meeting.

He said that these strategies were important to the sustainability of Surrey's economy and had been produced in tranches. Tranche 1 and 2 have been completed. Tranche 3, comprising strategies for the three remaining Districts and Boroughs (Waverley, Runnymede and Guildford), would be produced as and when the relevant Local Plans were developed, so that the strategies captured the outcomes of the Local Plans and addressed their development aspirations.

The strategies were 'live documents' which would be updated at regular intervals to ensure they remained relevant and current. They had been

developed in partnership with colleagues in Boroughs and Districts and on approval, they would become part of the Surrey Transport Plan and may be used as crucial evidence for future funding applications, such as Local Enterprise Partnerships.

The Cabinet Member for Environment and Planning praised the commitment of officers who had compiled these strategies and forward programmes – he considered that it was an excellent piece of work.

RESOLVED:

- (1) That Tranche 1 & 2 of the Local Transport Strategies and Forward Programmes and their suggested objectives be approved for:
 - Elmbridge
 - Epsom and Ewell
 - Mole Valley
 - Reigate and Banstead
 - Spelthorne
 - Surrey Heath
 - Tandridge
 - Woking
- (2) As part of the Surrey Transport Plan, the Local Transport Strategies and Forward Programmes be endorsed by Cabinet, for ratification by full Council.

Reasons for Decisions:

Delivering the Local Transport Strategies will support the County Council's priorities to promote sustainable economic growth and secure investment in infrastructure. The Local Transport Strategies will benefit Surrey residents and businesses by accommodating sustainable population growth, helping to boost the economy and limit the impact of transport and development on the environment.

The strategies adhere to using a place-based approach to plan for future sustainable economic growth and address existing problems on the network. By considering issues locally, the transport strategies have been able to identify issues which residents feel most affect them in each District and Borough.

The Local Transport Strategies and Forward Programmes also support the Environment & Infrastructure priorities, specifically Themes 1, 2 and 4.

63/15 CHILDCARE SUFFICIENCY ASSESSMENT (CSA) [Item 10]

The Cabinet for Schools and Learning said that the content of the report on the sufficiency of childcare and early education places for children under five years, and for school aged children was for noting due to the Children and Families Act 2014 placing a duty to report this annually to elected Members and to make the report available and accessible to parents.

She said that most childcare in Surrey was delivered via the private, voluntary and independent sector and that the County Council's Early Years and

Childcare Service supported the development of new provision in areas of need. She drew attention to the Childcare Sufficiency Assessment 2014, which set out pre-school penetration rates in Surrey by ward, and said that this document would shape the future of the childcare service in Surrey.

In view of the feedback from parents, in relation to the affordability of childcare, considered the main barrier for all parents from using childcare and particularly for those on lower income, Members asked about funding. They were informed that in order to ensure that there were sufficient places, particularly in areas of greatest need, the Council had allocated the Early Years Childcare Service over £4m.

RESOLVED:

That the content of the Childcare Sufficiency Assessment report (CSA) be noted.

Reasons for Decisions:

The 2006 Childcare Act places a duty on Local Authorities (LAs) to make sure there are sufficient childcare places of high quality for parents that need them to allow them to work or to train. There also needs to be sufficient services for parents of eligible children to take up their offer of free early education, even for parents who are not working or training. Department for Education (DfE) Early Education and Childcare, statutory guidance for local authorities (September 2014) states that to secure sufficient childcare places, we should take account of the local childcare market, and the Children and Families Act 2014 places a duty to report annually to elected council members on how we are meeting this duty and to make the report available and accessible to parents.

64/15 ST FRANCIS CATHOLIC PRIMARY SCHOOL, CATERHAM [Item 11]

The Cabinet Member introduced the report, saying that this was the first of three school expansions on today's agenda, which would create an additional 400 primary school places in Surrey. She said that the Local Authority had a statutory obligation to provide sufficient school places to meet the needs of the population and there was also a demonstrable need to provide more catholic places in this area.

She referred to the Ofsted judgement of June 2014 for this school but said that she was satisfied that effective action to address the areas requiring improvement was underway.

The Leader of the Council expressed concern about the access road to the school and the proposed mitigating measures which has also been discussed at a recent Tandridge Local Committee meeting. He asked the Director of Legal and Democratic Services to clarify ownership of this access loop road.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in the submitted Part 2 report, the business case for the

provision of an additional 0.5 Form of Entry (105 places) primary places in Caterham be approved.

Reasons for Decision:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Caterham area.

65/15 THE GREVILLE PRIMARY SCHOOL, ASHTEAD [Item 12]

The Leader of the Council invited Mr Townsend, local Member for Ashtead to speak on this item. He began by stating that there were massive issues about the provision of primary school places in this area. He said that he was not against the expansion of this school but was concerned about the mitigation aspects and he also drew attention to the consultation process.

The Cabinet Member for Schools and Learning welcomed his comments and said that she knew this school and had attended local residents' meetings. She said it was a school currently rated 'Good' by Ofsted and that it was popular with parents. She acknowledged that the expansion would create a large primary school of 660 primary places, which would help meet the basic need requirements in the Ashtead area from September 2015.

She also informed Cabinet Members that the local catholic primary school was also being expanded to create additional faith places in the area.

It was agreed that mitigation and highways issues would be discussed within the Part 2 section of the meeting.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in the submitted Part 2 report, the business case for the provision of an additional 1 form of entry (210 places) primary places in Ashtead be approved.

Reasons for Decision:

The school is a vital part of the Council's education offer in the local area. Increasing the number of school spaces within Ashtead is essential to ensure that the County Council performs its statutory duty of educating all resident pupils who request a school place.

66/15 MANBY LODGE INFANT SCHOOL, WEYBRIDGE [Item 13]

This report requested the approval of the Business Case for the expansion of Manby Lodge Community Infant School, from a two form of entry infant (180 places) to a three form of entry infant school (270 places), was presented by the Cabinet Member for Schools and Learning. She informed Cabinet that the creation of 90 additional places in Weybridge would help meet the basic need requirements in the Weybridge area from September 2016. This would be a major, phased building project which involved demolition and rebuilding of the oldest part of the school. She also explained the reasons why other schools in the area had been discounted from the expansion.

The Leader of the Council asked if there was any possibility of re-modelling the new building to put the playground on the roof, thereby giving the opportunity to further expand the school.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in the submitted Part 2 report, the business case for the provision of an additional form of entry, (210 places) at Manby Lodge Infant School, in Weybridge be approved.

Reasons for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Weybridge area.

67/15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 14]

RESOLVED:

That the decisions taken by Cabinet Members since the last meeting, as set out in Annex 1 of the submitted report, be noted.

Reasons for Decisions:

To inform the Cabinet of decisions taken by Cabinet Members under delegated authority.

68/15 EXCLUSION OF THE PUBLIC [Item 15]

RESOLVED that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

THE FOLLOWING ITEMS OF BUSINESS WERE CONSIDERED IN PRIVATE BY THE CABINET. SET OUT BELOW IS A PUBLIC SUMMARY OF THE DECISIONS TAKEN.

69/15 ST FRANCIS CATHOLIC PRIMARY SCHOOL, CATERHAM [Item 16]

This Part 2 report contained the financial and value for money information which related to item 12.

Concern was expressed about the highways works due to be undertaken as a result of the proposed expansion of this school. Whilst it was noted that the highways improvements would benefit the adjoining Audley Primary School

and Sunnydown SEN School, clarity was requested in relation to the ownership of this road.

RESOLVED:

1. That the business case for the project to expand St Francis Catholic Primary School by 105 places, at a total estimated cost, as set out in the submitted report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services, in consultation with the Cabinet Member for Schools and Learning, the Cabinet Member for Business Services and the Leader of the Council be approved.

Reasons for Decisions:

The proposal delivers and supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Carerham area.

70/15 THE GREVILLE PRIMARY SCHOOL, ASHTEAD [Item 17]

This Part 2 report contained the financial and value for money information which related to item 12.

Mr Townsend, Local Member for Ashtead also spoke on this item, the part 2 annex relating to the Greville Primary School. He informed Cabinet that the expansion of this school would be considered by the Council's Planning and Regulatory Committee on 25 March 2015 and requested assurance that if further mitigating factors came to light, that there would be funding available for them.

RESOLVED:

1. That the business case for the project to expand The Greville Primary School by 210 places, at a total estimated cost, as set out in the submitted report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services, in consultation with the Cabinet Member for Schools and Learning, the Cabinet Member for Business Services and the Leader of the Council be approved.

Reasons for Decisions:

The proposal delivers and supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Ashtead area.

71/15 MANBY LODGE INFANT SCHOOL, WEYBRIDGE [Item 18]

The Cabinet Member for School and Learning commended this Part 2 report, which contained the financial and value for money information relating to item 13.

Following a discussion about the proposed design and whether the option of increasing the schools size further could be achieved by putting the playground on the roof of the new building, it was agreed to amend recommendation (1) to ask officers to investigate this proposal.

RESOLVED:

1. That the business case for the project to expand Manby Lodge Infant School by 90 places, at a total estimated cost, as set out in the submitted report, be approved. However, it was agreed that officers would consider a redesign of the building so see whether increased numbers of children could be accommodated at this school
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services, in consultation with the Cabinet Member for Schools and Learning, the Cabinet Member for Business Services and the Leader of the Council be approved.

Reasons for Decisions:

The proposal delivers and supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Weybridge area.

72/15 PROPERTY TRANSACTIONS [Item 19]

Acquisition of a long leasehold interest of warehouse premises in Southampton

The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to maintain its financial resilience in the longer term. In facilitation of the strategy, Cabinet approved the business case for the creation of a Property Company and associated subsidiaries in May 2014 in order to achieve a balanced property portfolio to generate an income to the council.

The Cabinet Member for Business Services highlighted the key points of this acquisition by the Councils property company and commended the recommendations to Cabinet.

The Cabinet Member for Public Health and the Health and Wellbeing Board requested that his vote against the acquisition was recorded.

RESOLVED:

1. That equity investment and a long-term loan to the County Council's wholly owned property company, for the amount stated in the submitted report be agreed

2. That Legal Services be authorised to agree appropriate contractual arrangements for the provision of financing on behalf of the Council, with funds to be released upon the completion of appropriate due-diligence in relation to the property acquisition.
3. That the County Council's wholly owned property company be authorised to acquire the long leasehold interest on a property on the Nursling Industrial Estate, Southampton for a purchase cost, including associated costs, as set out in the submitted report.

Reasons for Decisions:

The provision of financing to the Council's property company to facilitate the proposed investment acquisition is in accordance with the Council's Investment Strategy. The investment will deliver an ongoing income to the Council, enhancing financial resilience in the longer term.

73/15 PUBLICITY FOR PART 2 ITEMS [Item 20]

That non-exempt information relating to items considered in Part 2 of the meeting may be made available to the press and public, if appropriate.

[Meeting closed at 4.10pm]

Chairman

Public Question

Question from Peter Crews:

I refer to your written answers to my questions to the Cabinet on 24 February 2015. You state that the costs will include 'optimism bias adjustments'. Optimism bias adjustments are used in pre-feasibility and feasibility studies when firm costs have yet to be obtained. The Charlton Lane project has passed the tender stage and you should by now have firm costs for most of the capital, operational and maintenance works. I would have expected that you would now be estimating your project contingency sum using the Monte Carlo method. Please would you confirm whether optimism bias adjustments are still being used and, if so, what is the level of confidence attached to the adjustments which have been made?

Reply:

It is correct to assume that the costs of the Eco Park within the contract with SITA are now largely fixed and not subject to optimism bias. However, the two options being considered, which are being evaluated over a 25 year period, both include elements, where costs are not fixed, for example, merchant energy from waste and landfill costs beyond any current contractual arrangements and operational costs beyond the end of the SITA contract. Therefore, it is appropriate to apply a degree of risk adjustment to both options. We will continue to take advice from our specialist advisors on the appropriate treatment of risk but as the options analysis is not yet complete, we currently do not have the specific information that you have asked for.

Mr Mike Goodman
Cabinet Member for Environment and Planning
24 March 2015

CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

**CARBON AND ENERGY POLICY FROM 2015 TO 2019
(considered by COSC on 29 January 2015)**

COMMITTEE RECOMMENDATIONS:

That:

- (a) the Cabinet reviews the targets set out in the Carbon and Energy Policy to ensure they are appropriately ambitious, and then adopts the policy.
- (b) the Council carries out a staff awareness campaign to highlight the costs and CO₂ emissions associated with current energy use and encourage the efficient use of energy.

RESPONSE:

(a) Ambition of the target

Further consideration has been given to the ambition of the target for a 10% net reduction in emissions.

The Council faces a number of challenges in delivering absolute emissions reductions including growth pressures from schools expansion to meet additional needs, increasing IT requirements; whilst at the same time facing reductions in government funding and the need to ensure acceptable rates of return on investment to the council. Further to this, the Council is changing its approach to financing energy efficiency measures in schools and in the future more schools will need to take on debt financing to deliver carbon savings (with associated cost savings funding the repayments) and subsequently delivering savings.

A 10% net emissions reduction is a challenging target for the Council in this context. Progress against the target will be subject to detailed review in Autumn 2016, considering emissions reductions in 2014/15 and 2015/16 since the 2013/14 baseline year, with a view to setting a higher target for the remaining period, if this can continue to deliver both carbon and cost benefit to the County Council.

(b) Staff awareness campaign

Work is now underway to launch and implement a staff awareness campaign to ensure we are using energy as efficiently as possible. This has included research into best practice in other organisations and assessing the opportunities for staff actions to influence energy consumption and the scale of benefit of behaviour change, in relation to the wide range of building structures and management systems in operation across the council's estate.

A campaign will be launched in spring 2015, involving the use of S-net and other communications channels, as appropriate to the target audience.

**Mike Goodman
Cabinet Member for Environment and Planning
24 March 2015**

CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

**BUDGET MONITORING
(considered by COSC on 4 March 2015)**

COMMITTEE RECOMMENDATIONS:

On 4 March 2015, the Committee received a verbal response from the Deputy Chief Finance Officer on the recommendations put to Cabinet. The Committee considered the response, and agreed to restate the following recommendations, with particular emphasis on the section in bold:

(b) That a Resource Allocation Rate of 75% be applied to the Friends, Family & Community Support programme in order to maximise the chances of exceeding the required full-year savings of 20%.

and

(h) That any reduction in the number of Children's Centres required to achieve the Early Years Service savings be not in **an area of significant deprivation or where necessary support is provided.**

RESPONSE:

The responses to the COSC recommendations set out in Annex 1 are as follows:

- (b) The 20% reduction in the Resource Allocation System is a 'stretch target'. This is a period of much change for the adult social care service and other factors will affect its success. Increasing the reduction target by a further 5% would not be a realistic target for the service to achieve.
- (c) Securing more Continuing Healthcare support for affected clients to reduce social care costs is a key aspect of the service's policy. The creation of the Clinical Commissioning Groups (CCGs) that have replaced the Primary Care Trusts has led to previously agreed processes having to be re-worked and agreed. To this end, a central CHC team has been created, funded through an Invest to Save bid, and a new senior manager is being appointed with the task of leading the negotiations with the CCGs.
- (d) A thorough review of energy cost inflation has led to a reduction of the assumption from 10% to 8%, leading to a further £90,000 saving in the Property Services budget. These assumptions will be periodically reviewed to ensure that the impact of any further market changes are captured in planning assumptions.
- (e) Officers have made a further review of the self insurance fund contribution. The new insurance contracts require that the Council insures the first £500,000 of any single claim to be self insured – an increase from £100,000. This has led to a significant saving on the premiums. Any further reduction in the contribution to the self insurance

fund will have to be considered following consideration of the impact of this increased self insurance limit. The triennial actuarial review is due in March 2016, and this would be an appropriate time to re-examine the level of contributions to the fund.

- (f) Officers have commenced work on investigating the SEND transport costs. This will be an area that is scrutinised further as a part of the summer refresh of the MTFP and the general 2016-21 business planning.
- (g) Third party funding and contributions are always considered and sought at the planning stage. The relationship with the District or Borough is vital for securing further funding through CIL.
- (h) The business case for the closure of Children's Centres is still being developed. The recommendations from this will form part of a future Cabinet report.
- (i) The savings targets for Early Years and Services for Young People in the MTFP were carefully considered as part of the 2015/20 business planning process. The Directorate wide budget and most other opportunities for savings were explored. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.
- (j) The ring-fenced reserve was established two years ago as part of a multiyear approach to managing the rising cost of child protection referrals. This has been used to support the Children's Service budgets over the past three years and there has also been a base budget increase of £1m in 2015/16 to address this specific pressure on-going.
- (k) and (l) The savings targets for the Highways service in the MTFP were carefully considered as part of the 2015/20 business planning process. A number of opportunities for savings have been explored within the service and in the Select Committee review process. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.

The Environment and Transport Select Committee will continue to work with the service on identify ways in which to minimise the impact of savings on service delivery and priorities.

David Hodge
Leader of the Council
24 March 2015

**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY
COMMITTEE**

**DIGITAL TRANSFORMATION PROGRESS UPDATE
(considered by COSC on 4 March 2015)**

COMMITTEE RECOMMENDATIONS:

That the Cabinet Member for Business Services works with the Leader of the Council and partner organisations to encourage all relevant partners and stakeholders to share data for use within the systems.

RESPONSE:

As highlighted by the Committee, engagement of Partners (e.g. Health and Districts and Borough Councils) is a key part of the next stages of the Vulnerable Adults project to ensure the inclusion of necessary data in the event of an emergency incident. The project team, with the help of the project board, chaired by the Head of Emergency Management are engaging with the relevant partners through existing networks and are pro-actively targeting key health providers. The Cabinet Member for Business Services fully supports this engagement programme, representing the project at a Member level where needed and will monitor progress.

**David Hodge / Denise Le Gal
Leader of the Council / Cabinet Member for Business Services
24 March 2015**